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USSR Report

INTERNATIONAL ECONOMIC RELATIONS

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CONTENTS

USSR-WORLD TRADE

- Zhuravlev Interviewed on Soviet Foreign Trade
(G. K. Zhuravlev Interview; SOVETSKAYA TORGOVLYA, 7 Jun 84)... 1

USSR-CEMA TRADE

- Bogomolov Interviewed on Soviet Economy, CEMA Trade Strategy
(O. Bogomolov Interview; SOVETSKAYA LITVA, 4 Jul 84)..... 4
- CEMA Cooperation in Agricultural, Food Production
(EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 4,
Apr 84)..... 7
- Role of Direct Links for CEMA Economic Organizations
(Mariya Bogatska, Galina Abolikhina; EKONOMICHESKOYE
SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 4, Apr 84)..... 13
- Review of CEMA Foreign Trade Commission Meeting
(EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 4,
Apr 84)..... 18
- Automated Information System Installation in CEMA Secretariat
(Vladimir Popov, Dmitriy Afanas'yev; EKONOMICHESKOYE
SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 4, Apr 84)..... 20
- Azerbaijan Oil Institute Awarded for SRV Worker Training
(BAKINSKIY RABOCHIY, 5 Apr 84)..... 26
- Briefs
- | | |
|--------------------------------|----|
| CEMA Foreign Trade Statistics | 29 |
| CEMA Counter-Deliveries | 29 |
| Role of Machinebuilding | 29 |
| Hungarian Exports of Machinery | 29 |

USSR Deliveries	29
Importance of USSR Deliveries	30
Bilateral/Multilateral CEMA Agreements	30
Soviet-Bulgarian Trade	30
Economic Development of Mongolia	30
USSR-GDR Trade	30
Soviet-Polish Trade	31
Czechoslovak-Polish Trade	31
Romanian-Soviet Economic Relations	31

USSR-EAST EUROPE BILATERAL TRADE

CSSR Trade, Technical Center Established in Moscow (VNESHNAYA TORGOVLYA, No 3, Mar 84).....	32
Bulgarian Izotimpeks Trade Center Computer Sales to USSR (Dimitr Zlatanov; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN- CHLENOV SEV, No 4, Apr 84).....	34

GENERAL

USSR, CEMA Economic Experiment Guidelines Discussed (V. Klochko; EKONOMIKA SOVETSKOY UKRAINY, No 5, May 84).....	37
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USSR-WORLD TRADE

ZHURAVLEV INTERVIEWED ON SOVIET FOREIGN TRADE

Moscow SOVETSKAYA TORGOVLYA in Russian 7 Jun 84 p 3

[Interview with G. K. Zhuravlev: "Successful Results, Favorable Prospects"]

[Excerpts] In response to questions asked by SOVETSKAYA TORGOVLYA correspondents G. Pol'skoy and A. Fridlyanskiy, USSR First Deputy Minister of Foreign Trade Gennadiy Kirillovich Zhuravlev made the following statements.

[Question] First of all, I would like to hear the results of last year's Soviet foreign trade.

[Answer] At the present time the Soviet Union trades with 144 countries, with the business ties with most of them being constructed on the stable base of intergovernmental treaties and agreements. The USSR foreign-trade turnover in 1983 came to 127.5 billion rubles. As compared with the previous year, the increase came to 6.6 percent. But if one takes the first three years of the current five-year plan, the dynamics for the development of the USSR foreign trade look even more impressive: it is an increase of 35 percent. Moreover, during all three years of the five-year plan which have elapsed the foreign-trade balance has been in favor of the USSR. It might be apropos to note here that for the third year in a row world trade has been reducing and last year it came to only 89 percent as compared with 1980.

[Question] How did our trade relations with the socialist countries develop?

[Answer] The general line of the foreign policy of the Soviet state has been and continues to be the development of complete economic cooperation with all the socialist countries. In 1983 the commodity turnover with them increased by 9.9 percent, but from the beginning of the five-year plan the increase has been 41 percent. If one judges by the protocols that were concluded for 1984, the increase will be no less than 10 percent.

[Question] What could you say about our business ties with the developing countries of Asia, Africa, and Latin America?

[Answer] The Soviet Union attaches great importance to the expansion of trade and economic cooperation with those countries. In this regard it might be apropos to cite the following figures. The Soviet Union trades with more than a

hundred developing countries. The commodity turnover with them in 1983 came to 17.7 billion rubles. Their share in the foreign-trade turnover of the USSR is 14 percent. Figures that look especially impressive are the ones that pertain, for example, directly to the countries of Asia and the Pacific Ocean. For example, during the 1979-1983 period, as compared with the five-year period that preceded it, our country's trade with the developing countries that are members of ESCAPO (Ed. note: United Nations Economic and Social Commission for Asia and the Pacific Ocean) more than doubled. And with respect to individual countries, that indicator is even higher: an increase by a factor of 3.5 for Afghanistan, Nepal, and Singapore; 2.8 with India; and 12, with Thailand.

Last year the number of countries with which we for the first time signed protocols governing commodity turnover for a period of three years or more was augmented by Turkey, Mozambique, and Bolivia. This practice was also reinstituted with ARE [Arab Republic of Egypt].

A very large-scale trade partner of the USSR among the developing countries is India. Our reciprocal commodity turnover in 1983 came to 2.3 billion rubles. The signed protocol governing commodity turnover in 1984 anticipates an increase of 25 percent.

[Question] At the beginning of our discussion you mentioned the fact that U.S. imperialism is doing everything possible to hinder the development of the foreign economic ties of the USSR. How did trade with the countries of the West develop last year?

[Answer] I will see immediately that that trade developed under conditions of a sharp aggravation of the international situation that was caused by the increase in the militarism and aggressiveness of the imperialistic forces. An especially negative effect upon the development of business ties has been exerted by the aggressive course taken by the Washington administration.

The Soviet state, true to the Leninist policy of peaceful coexistence, is firmly following the course of development of trade and economic ties with those countries that show an interest in this and that respond in a reciprocal manner. This bilateral self-interest made it possible last year not only to preserve, but also to expand the trade ties with most of the countries in the West. In particular, I would like to emphasize that the increase in trade with the countries of Western Europe in 1983 came to 6.4 percent. and for the first three years of the current five-year plan, more than 25 percent. Against the overall background of the reduction of the volume of world trade, these figures look impressive. Typical features are the stability and growth of our trade with such countries as West Germany, Finland, France, Italy, Great Britain, Greece, Spain, Sweden, Austria, and others.

In recent years, the U.S. administration has been to blame for the serious worsening of Soviet-American relations. This has had an immediate effect upon the trade between our countries. In 1983 that trade was reduced by 15 percent. The opportunities for developing trade between the USSR and the United States exist, and they are considerable ones. But in order to implement them, there must be normal conditions.

[Question] It is well known that the American administration has made attempts -- and is currently attempting -- by means of all kinds of sanctions to hinder our foreign-trade ties. What can you say about this unwise policy?

[Answer] The sanctions against the USSR and the other socialist countries could not disrupt or hinder the plans for their development. Washington's course has revealed to the entire world what an unreliable trade partner the United States is.

Recently the American administration has made a large number of statements about its "readiness" to take a step toward the "improvement" of trade relations with the USSR. In this regard it is worthwhile to remember that in trade relations one judges the results not on the basis of high-sounding statements, but, rather, on the basis of specific deeds. We want to trade without any diktat, on completely equal, mutually advantageous terms, as is usually done in the trade world.

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USSR-CEMA TRADE

BOGOMOLOV INTERVIEWED ON SOVIET ECONOMY, CEMA TRADE STRATEGY

Vilnius SOVETSKAYA LITVA in Russian 4 Jul 84 p 3

[Interview with O. Bogomolov under rubric "CEMA: Integration in Action":
"Along the Path of Intensification"]

[Text] The following interview with director of the Institute of the Economics of the Worldwide Socialist System, USSR Academy of Sciences, Academician Oleg Bogomolov, was conducted by APN [Novosti News Agency] correspondent Aleksandr Drabkin.

[Question] Oleg Timofeyevich, the intensification of the economy currently plays an important role in the economic life of the CEMA member countries. What are the peculiarities of that process today?

[Answer] Actually, the economic development of the CEMA member countries has entered a crucial phase. The considerable increase in the effectiveness of production and the rise in the technical level and competitiveness of the output, like the corresponding changes in the mechanism of administrative management, has become a persistent necessity.

The adaptation of the economy to the domestic and foreign conditions of development which have occurred is a difficult and rather prolonged process, and one that is not limited to the sphere of production and economic relations. Rather, it also affects social consciousness.

I will discuss the peculiarities of this process by using as an example the Soviet Union.

Our country's national economy contains truly stupendous resources. It has frequently been noted that the USSR has taken first place in world with regard to the production of many important types of output, including petroleum and steel, cement and mineral fertilizers. We have the world's largest pool of machine tools. There has been a considerable expansion of the scientific-technical and spiritual potential of Soviet society. The task consists in assuring that this potential is used economically, with the greatest return.

And yet the results of the economic development of recent years show us that we still have considerable unused reserves. For example, during 1970-1982 the

production assets of our country's national increased by a factor of 2.5, but the volume of industrial output by a factor of 1.9. Consequently there is an opportunity for a considerable increase in the production of final output from the already existing resources.

Or let us take the reproduction of social product. As is generally known, its further expansion requires considerable capital investments, which today, on the basis of annual volume, are already on a par with the United States. However, the resources for capital investments in our national economy, as is the situation throughout the world, are comparatively limited. Especially since the economic assimilation of Siberia and the northern part of the country is linked with major additional expenditures, and the intensification of the international tension requires substantial expenditures for defense.

Hence one begins to realize the need for the more effective use of all the available resources, toward which our nation has been directed by the decisions of the 26th CPSU Congress and the subsequent Plenums of the CPSU Central Committee. In other words, the increase of labor productivity and the quality of output has become the chief prerequisite for the rise in the economy.

The tendency that is obvious today toward the improvement of the situation is linked with the process that has already begun -- the process of overcoming a number of bottlenecks in the economy. Measures that have been yielding fruit are the intensification of economy measures and the reinforcement of discipline in production and in administrative activity.

The first-priority tasks include the improvement of the administration of the economy. Herein lies one of the chief reserves of intensification. True, taking into consideration the tremendous extent, variety, and complexity of the national-economic complex of the USSR, it is necessary to observe the needed caution and gradual action in the reorganizations being undertaken in the economic mechanism and to subject individual innovations to experimental checking at the local level. However, the overall logic of the changes that have been occurring in the methods of planning and administering the Soviet economy coincides with what is being done in the other socialist countries, for example, Bulgaria, Hungary, and East Germany.

[Question] What place in the reorganization of the economy is occupied by the foreign-trade ties?

[Answer] Their role in the resolution of the economic and technical tasks that are confronting the CEMA countries has a tendency toward a steady rise. And this particularly pertains to the cooperation among the CEMA member countries. I will remind the readers that the share of the reciprocal trade among the partner countries in their overall commodity turnover is increasing. In 1981 that trade accounted for 53.4 percent of the total foreign-trade turnover of the countries in the socialist community; in 1982, 56.9 percent; and in 1983, 58.6 percent.

In the statement concerning the basic directions in the further development and deepening of the economic and scientific-technical cooperation among the CEMA member countries which was adopted at the Economic Summit Conference of the CEMA Member Countries provides for the further expansion of the mutually

advantageous trade, and the development of the structure of production and export with a consideration of the objective economic conditions of the USSR and the other CEMA member countries.

[Question] How, then, do you evaluate the prospects for trade and economic relations with the West?

[Answer] That aspect of the foreign-economic activity of the CEMA member countries has been influenced not only by the internal needs, but also by the state of affairs in the world economy, and by the worldwide political situation as a whole.

Speaking at the April Plenum of the CPSU Central Committee, General Secretary of the CPSU Central Committee, Chairman of the Presidium of the USSR Supreme Soviet K. U. Chernenko pointed out, "We are consistently and in an initiatory manner leading the situation toward the removal of tension in worldwide politics.

Despite the existence of a number of complicated political and economic problems in the economic relations between the East and the West, the opportunities for ties should by no means be considered to be exhausted.

It must be assumed that the approach of the USSR, like that of the other socialist countries, to businesslike cooperation with the countries of the West in the 1980's can undergo, under the pressure of circumstances, definite changes. But it will remain constant in the basic regard -- in the attempt to expand that cooperation on the basis of mutual advantage and the mutual respect of interests. The tendency toward the lessening of the economic interaction between East and West does not correspond to the demands of the future. The CEMA countries are striving to oppose that tendency.

The long-term strategy of the countries in the socialist community in their economic ties with the West is aimed at increasing in export the percentage of finished output. The increase in the efficiency of the structure of import, one must expect, will occur as a result of the reduction of the import of foodstuffs, as well as a number of types of materials and equipment the production of which in the CEMA member countries will be worked out by means of reciprocal cooperative action. There are substantial conclusions in favor of importing -- instead of finished technology -- either the complete equipment to produce it, or to purchase the appropriate licenses.

The Soviet Union and the other CEMA member countries are encountering the need to reinforce their competitive positions on the world markets, their resource and technical independence, so that no sanctions or embargoes on the part of western powers can disrupt the process of reproduction in the key branches of the economy. For the successful collective counteraction against the pressure from the West, and against its differentiated policy with respect to individual socialist countries, these countries are coordinating their import policy with the development and assimilation of the production of new technology within the confines of the CEMA. On the other hand, the programs for the development of production and scientific-technical cooperative action within the CEMA provide for the expansion of the export to the countries of the West.

USSR-CEMA TRADE

CEMA COOPERATION IN AGRICULTURAL, FOOD PRODUCTION

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) pp 2-5

[Text] The agriculture and food industry of the fraternal countries have attained significant successes. Having at their disposal 16 percent of the sowing areas of the world, these countries obtain 20 percent of the agricultural production, including 30 percent of the wheat, 70 percent of the rye, 33 percent of the barley, and 44 percent of the oats, potatoes and sugar beets. In the countries of the socialist commonwealth, not only hunger but also malnutrition have been eliminated forever, which are constant companions of a significant number of the population of the globe.

In the majority of the CEMA member countries, agriculture is characterized by large-scale production and by the application of industrial methods. The material-technical base of the sector is being steadily increased. Land improvement and the chemicalization of the land are proceeding at an increased pace. In agricultural machine building and in the production of fertilizers and crop protection means, too, the achievements are significant. New sub-sectors are being developed--the formula feed sector, the microbiological sector, and others.

However, in spite of this, in the CEMA member countries the problem of satisfying the growing requirements for high-quality food products is still not being solved fully.

At the same time, all the prerequisites to attain self-sufficiency are present here. This requires not only the mobilization of the resources and the possibilities of every country, but also the unification of their efforts on a multilateral and bilateral basis.

As practice shows, the level of the development of all sectors that make up the national agro-industrial complexes must be raised for the successful solution of the food problem. In his speech at the All-Union Economic Conference on Problems of the Agro-Industrial Complex, K. U. Chernenko, general secretary of the CPSU Central Committee, noted that the main way of solving the food problem consists in the acceleration of the transition of agriculture to intensive paths of development and in a significant increase of the output from the potential created in the kolkhozes and sovkhozes.

Fuller use must also be made of the advantages of the economic cooperation of the fraternal countries. This policy found reflection in the Integrated Measures of Cooperation for the Improvement of the Supply of Food Products to the Population of the CEMA Member Countries, approved at the 37th Meeting of the CEMA Session, which have become a supplement to the Long-Term Special Purpose Program of Cooperation in the sphere of agriculture and the food industry. The CEMA organs were charged with securing, in the course of the coordination of the national economic plans for 1986 to 1990, the realization of the problems relating to their competence. Special attention must be devoted to the preparation and signing of the necessary agreements.

As was indicated at the Session, the Integrated Measures provide for the intensification of cooperation in the increase of production and mutual supply of vegetables and fruit, in the development of industrial fish-breeding and the use of gene banks. They set forth ways of providing agriculture and the food industry with advanced technology, of the fuller and more rational use of agricultural raw material, and the creation and introduction of progressive processing methods in these sectors. It is recognized as necessary to coordinate, among the interested CEMA member countries, the problems connected with the economic stimulation of agricultural production to increase the mutual export of food products.

The approval of the Integrated Measures by the Session is a new manifestation of the concern of the communist and workers' parties of the countries of the socialist commonwealth for the development of the agriculture and food industry on a modern technical basis. In the decisions of the congresses and the plenums of the Central Committees of the parties it was noted that the guarantee of a reliable supply of food for the population, the increase of the quality of food, and the improvement of its structure are important political and economic tasks that confront the CEMA member countries today. They acquire a special role in conditions when the administration of the United States is pursuing a policy of blackmail and dictation and is using the trade with food products as a method of putting pressure on the importers.

The Integrated Measures outline cooperation with respect to 47 concrete problems. Fourteen of them related to agriculture and the food industry, 28--to the improvement of their technical supply, 3--to the expansion of internal trade in food products, and 2--to the stimulation of the production and export of food to the markets of the CEMA member countries. It is envisaged that the preparation of a significant part of the draft agreements will be completed during 1984-1985, and the solution of the tasks connected with the output of various systems of machines and equipment--also after 1985. The work on the overwhelming majority of problems is unfolding in the European countries and in the Republic of Cuba. The Mongolian People's Republic will take part in the preparation and realization of 20 measures, the Socialist Republic of Vietnam--in 6, and the Socialist Federal Republic of Yugoslavia--in 4 measures.

As is well known, the basis of the growth of the output of food products, the reduction of their production cost, and the improvement of their quality is the further development of agriculture, which is the main source of food raw

material, its intensification and industrialization, and the increase of the economic efficiency of all links. In connection with this, the cooperation is aimed at the acceleration of the rates of progress of the sector as a whole and animal husbandry in particular, the reduction of losses on the entire path from the fields and farms to the consumers, the increase of the output of the final product per unit of raw material, the improvement of the structure of food products, etc.

In the solution of these most important tasks, a growing role is played by science, machine building and other sectors of the national economy, as well as the sphere of services and trade. For this reason, a comprehensive approach and the optimal combination of biological, technical and technological, and economic prerequisites for the increase of production and the efficiency of agriculture and animal husbandry are necessary in the elaboration of the programs of cooperation. The use of waste-free processing methods and the reduction of losses during all stages of the reprocessing of production play an important role.

In order to increase the output of the most important types of agricultural and food products within the framework of CEMA, it is planned to continue and expand the cooperation in such spheres as genetics, selection, seed-growing, and the industrial technology of cultivating agricultural crops. The unification of the efforts of scientists has made it possible to create the most valuable stocks of selection materials. Approximately 200 new types of grain crops have been turned over for state experiments, and approximately 80 have been classified by regions.

Of great significance for scientific-technical progress in agriculture are the improvement of the existing and the creation of new varieties of plants, strains of cattle, poultry and fish, their adaptability to industrial technologies of breeding, maintenance, rearing, etc. For this, the rates of the development of genetics and selection must be accelerated. They have the goal of creating productive varieties of cereals, which combine high productivity with increased frost and drought resistance, immunity to diseases and pests. To satisfy the growing requirements of animal husbandry for high-value feeds, work on the the selection of fodder crops will be activated.

Practice shows: The increase of their gross harvest can be attained primarily through the increase of the productivity of the grain and leguminous crops, as well as through the reduction of losses in all stages of production, preservation and processing. In the fraternal countries certain successes have already been attained here. The average productivity during 1976-1980 was 62 percent higher than during 1961-1965. However, the reserves are still significant, and the cooperation is aimed at utilizing them fully.

As far as the reduction of losses is concerned, for this it is necessary to use varieties with different periods of ripening. Of great importance is also the equipment of the sector with modern technology, which will make it possible to reduce the time of harvesting grain and other crops by 3-4 days.

The problems of a fuller supply of quality feeds for animal husbandry, too, are today solved in a complex. Plans call for the development of cooperation with respect to the expansion of the procurement of coarse, succulent and concentrated feeds and the improvement of their quality. Much will also have to be done for the growth of the output of vitamins and other feed supplements.

The further improvement of the structure of nutrition and its approximation to the scientifically-based level has to do with the improvement of the production and consumption of meat, meat products, milk, fish, vegetables, and fruit.

As is well known, the problem of calorific value has already been solved in most of the CEMA member countries, and the general indicators even exceed the norms somewhat. Thus, according to data of the Food and Agriculture Organization of the United Nations (FAO), in 1980 the average daily per capita consumption in the world came to 2,590 kilocalories, in the countries of Western Europe--3,378, and in the USSR--3,443 kilocalories. However, from the point of view of medical science, the population of the fraternal countries up to now has been provided with less fruit and vegetable and livestock production than is necessary.

To increase the production of meat, meat products and milk, it is planned to intensify the specialization and mutual utilization of gene banks of agricultural animals, to develop and improve the industrial technologies for raising animals and poultry.

To raise the productivity of animal husbandry, it is above all necessary to improve significantly the supply of cattle with feeds that are balanced in terms of the basic nutritional elements, vitamins and supplements. Work must also be expanded in regard to the strengthening of the material-technical base of feed production, the increase of the quality of feeds, including through the reduction of losses of nutritional substances during procurement and preservation. Special attention will be devoted to the introduction of progressive technologies of fodder crops, the construction of fodder storage facilities, and the utilization of chemical preservatives and synthetic films for the preservation of coarse and succulent feeds.

The Integrated Measures also envisage the intensification of cooperation with respect to the improvement of the techniques and technology of the processing of the production of animal husbandry and the organization of waste-free production.

To increase the catch of fish and to supply the population with products from it, it is planned to accelerate the development of industrial freshwater fish-breeding. On the basis of a general agreement, the output of the corresponding machines, equipment and instruments is being expanded, as well as feeds and the means of preventing and treating fish diseases.

Cooperation is being intensified in the increase of the production and mutual deliveries of vegetables, fruit, grapes in fresh and processed form, in the receipt of sterile planting material of apple trees, strawberry plants, peach trees, apricot trees, and potatoes. An important reserve for increasing the

consumption of these products is the reduction of losses in all stages, including transportation and processing.

Great significance is attached in the Integrated Measures to cooperation related to the improvement of the material-technical supply of all sectors of agriculture and the food industry. The further growth of the production of the most important types of food products and its efficiency depends in many respects on how fully these sectors are supplied with modern means of mechanization, chemicalization, mineral fertilizers, preservatives, etc.

The inadequate development, in a number of CEMA member countries, of refrigeration facilities and the incomplete satisfaction of the demand of the food industry for packaging materials lead to significant losses and hamper the broad application of progressive forms of trade. For this reason, the cooperation being planned is aimed at the development of new technologies and techniques of preserving grain that is destined for feeds--the destination of automated systems for the regulation of artificial climate in the preservation of potatoes, vegetables, fruit, grapes and citrus fruit, the unification of their transportation by means of the use of special packaging, suitable both for the preservation and the sale of products.

The important task is the fulfillment of the agreements on specialization and cooperation in the manufacture of machines and equipment for the comprehensive mechanization of agriculture, instruments and equipment for experimentation, repair and technical maintenance of these machines, transportation, preservation, and the introduction of mineral fertilizers and chemical weed and pest killers in the soil.

Plans call for a complex of measures for the technical reequipment of the food industry: The development and introduction of waste-free industries, the expansion of the division of labor in the output of equipment, etc. A number of other large problems, too, will have to be solved. They concern the development of cooperation in the sphere of packaging materials for food products: Various types of tin-plates, foil, varnishes, thickened pastes, combined materials on the basis of polymers, paper and cardboard, new types of glass containers.

On the basis of the existing agreements on the specialization and cooperation in the manufacture of refrigeration equipment, means of the mechanization of loading and unloading operations, battery-operated trucks and a container transportation system, as well as new agreements relating to coolants and special machines for refrigeration units, it is planned to intensify the cooperation in the production, deliveries, and utilization of the means of the refrigeration circuit.

The chemical industry, too, is making a contribution to the general cause. It will be directed toward the increase of the output and mutual supplies of mineral fertilizers, chemical means of crop protection, nutrient yeasts, lysine, preservatives, vitamins and other supplements, toward the expansion of their assortment and the increase of quality. To this end, the intensification of scientific-technical relations is envisaged on a multilateral and bilateral basis.

The Integrated Measures devote a large amount of attention to specialization and cooperation in the technical reequipping of trade and public catering and the expansion of the production of special means of transportation, to the receipt and sale of food products in parcel and packaged form to the population through the retail trade.

Of the greatest significance for the further development of the food complex is the acceleration of scientific-technical progress and the introduction of its results in the national economy. We will have to create new, highly-productive varieties of grain, technical, vegetable and other crops, highly-productive machines and instruments, prepare and master new methods, technological processes and methods in plant-growing and animal husbandry, and expand the application of microprocessor technology.

It has been decided to realize the planned measures through a system of agreements and contracts, which will be developed in the course of the coordination of the national economic plans to 1990. In them the countries will provide means for the realization of these agreements and will secure the fulfillment of the obligations assumed.

The approval of the Integrated Measures of the CEMA Session has great economic and political significance. Their practical realization will help to make more effective use of the combined scientific-technical and production potential of the CEMA member countries for increasing the output, reducing the losses, and increasing the quality of products, their biological value and qualities of taste, improve the structure of nutrition and expand the assortment of food products. On the basis of the acceleration of scientific-technical progress and the introduction of its achievements in the sphere of the agroindustrial complex, the intensification of specialization and cooperation, labor productivity will be increased. The planned modernization of existing and the creation of new capacities, along with the increase of the output of production, will make it possible to attain a significant improvement in the conditions of work. The production infrastructure (transportation, the refrigeration chain) will undergo further development, which will be conducive to a significant reduction of losses and a more uniform supply of the population with food products in the course of the year.

The realization of the Integrated Measures will play an important role in the improvement of the supply of the CEMA member countries with food products, in the increase of the efficiency of the national economy as a whole and the standard of living of the population. For this reason they must be at the center of attention both of the planning and economic organizations of the fraternal countries, as well as of the committees, permanent commissions, and other organs of CEMA.

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ROLE OF DIRECT LINKS FOR CEMA ECONOMIC ORGANIZATIONS

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) pp 20-22

[Article by Mariya Bogatska and Galina Abolikhina, International Institute of the Economic Problems of the World Socialist System of CEMA: "The Role of Direct Links in Priority Spheres"]

[Text] The problems of the development of international specialization and cooperation of production are constantly at the center of attention of the communist and workers' parties and the governments of the CEMA member countries. They are researched in depth by the economists of the fraternal countries. As is well known, great significance at the present time is being attached to the activization of the process of international specialization and cooperation of production by means of the utilization of direct links between enterprises and organizations of the CEMA member countries. They develop in different forms and already today produce a considerable effect. Direct cooperation is successfully taking shape within the limits of bilateral economic organizations, in particular of the USSR and the GDR in the International Economic Organization (MEO) in the sphere of the photochemical industry Assofoto, in the International Economic Association for Cooperation in the Sphere of Chemical Products for Consumer Use (Domokhim), as well as in the optical industry. Fairly stable direct links have been established within the framework of the International Economic Association (MKhT) Internefteprodukt [petroleum products], the International Economic Organizations (MKhO) Interkhimvolokno [Chemical Fibers], Intertekstil'mash [Textile Machinery] and others. At the same time, the majority of the International Economic Organizations (MKhO) and International Economic Organizations (MEO) are limited to a coordinating role, not developing economic activity and direct contacts in the production process of their own.

It is necessary to note also the existing direct links between enterprises cooperating in one or another production sphere, for example, between enterprises of the USSR and the People's Republic of Bulgaria, the Hungarian People's Republic, the GDR, the Polish People's Republic, and the Czechoslovak Socialist Republic in the production of light automobiles, between the CSSR and the USSR, the People's Republic of Bulgaria, the Hungarian People's Republic, the GDR and the Polish People's Republic--[in the production] of trucks, between the USSR and the People's Republic of Bulgaria, the Hungarian People's Republic and the GDR--[in the production] of agricultural machinery

and tractors, between the USSR and the Hungarian People's Republic, the Polish People's Republic, the Socialist Republic of Romania, and the CSSR--[in the production] of looms, between the Hungarian People's Republic and the USSR--[in the production] of cash register equipment for trade, between the Hungarian People's Republic and the CSSR--[in the production] of tape-recorders, and between the Hungarian People's Republic and the People's Republic of Bulgaria and the Polish People's Republic--[in the production] of dentist chairs.

During the past few years the direct links between kindred industrial enterprises of the fraternal countries have grown stronger and have increased. One of such examples is the active cooperation of the metallurgists. Thus, the Cherepovets Metallurgical Plant (USSR) has constant contacts with the Metallurgical Combines imeni V. I. Lenin in the city of Pernik and imeni L. I. Brezhnev in Kremikovtsi (People's Republic of Bulgaria), and with the Yugoslav mining and metallurgical combine in the city of Zenica. With the assistance of the Cherepovets metallurgists approximately 2,000 machines were built in the city of Katowice (Polish People's Republic). An agreement on friendship and cooperation links the Cherepovets Metallurgical Plant with a metallurgical combine in the city of Miskolc (Hungarian People's Republic).

In its turn, the Cherepovets Metallurgical Plant receives a great effect from the introduction of the progressive experience of the colleagues from the fraternal countries (during the last years alone, the technical and technological innovations produced an economic effect exceeding 1 million rubles).

At the same time, the possibilities of direct relations are still far from being utilized fully. As is well known, at the 97th Session of the Executive Committee of CEMA priority directions of international specialization and cooperation of production were formulated.

The solution of the priority tasks will require a certain regrouping of forces and means. The improvement of the economic mechanism of cooperation, including the development of direct links between economic organizations of the CEMA member countries in the priority spheres must also be aimed at this. They can extend important assistance in the solution, first of all, of concrete tasks of the internal economic development of a given country, and, secondly, of tasks that have been formulated by the fraternal countries and are jointly realized by them through the unification of efforts and means or the specialization of any country.

In the first instance, the initiators of the establishment of direct links are the economic organizations that are striving for the more efficient fulfillment of the plan targets. In the second, such links are determined beforehand at a higher level (by the government or departmental level, depending on the scale of the tasks being solved).

These two cases define in general form the limits and methods of the utilization of direct links of production units in the priority and other spheres. Theoretically, the economic organization, in the establishment of direct links with partners from CEMA member countries, must have the right of:

- The selection of the concrete direction of cooperation in production, science, technology and processing methods;
- the selection of the partner;
- the exchange of information and experience in the organization of production;
- the establishment of the price in relations with a foreign cooperators;
- the sale of part of its production on the international market;
- the purchase of products abroad;
- the exchange of services in the pre-production stage and after the sale of production.

When we are dealing with directions of cooperation of a non-priority nature at the moment, the economic organizations may, within certain limits, be granted all or almost all of the indicated rights. They are conditioned by the peculiarities of the national legislations, and above all by whether the decision of the enterprise must be sanctioned by state organs, by precisely which ones, and by their number and by the criteria from which they proceed.

In the organization of cooperation in the priority spheres, these rights inevitably are narrowed because its direction as a whole is coordinated and the commodity turnover for this group of articles is determined beforehand, proceeding from the requirements and possibilities of their satisfaction. In such a case, the economic organizations can:

- Recommend to the superordinated organ for approval of the partner in cooperation;
- organize direct cooperation in the technical improvement of production, in the organization and adjustment of equipment, and then in its maintenance;
- exchange information and experience in the organization of production with the partner, moreover not only in a given concrete sphere, but also in related industries;
- justify and propose for approval prices for products under subcontracting arrangements that are economically expedient from the point of view of the enterprise, taking into account the innovations introduced, the reconstruction and modernization of production carried out (or necessary), and the contribution of the partner in cooperation to these measures.

In order for the enterprises to be able to carry out the indicated functions in practice, they must, first of all, be sufficiently competent, and, secondly, interested in such activity.

The competence of an enterprise depends to a large extent on the state of its information. In the direct links between economic organizations an exchange of information on scientific-technical, economic, organizational and marketing questions takes place. Cooperation in science and technology is conducive to the creation of a common, uniform base for the development of cooperation in the individual spheres of industry and in the development of unified standards.

Direct links aid in the exchange of information concerning world directions in the technical development of a given sphere and make it possible to become

oriented with respect to the inclinations of the partners and the conditions and possibilities of cooperation with them. This takes place by means of the mutual exchange of specialized information materials between cooperating organizations, the exchange of experience and the results of their work, close contacts of the workers and specialists (mutual business trips, probationary work), and the conduct of joint planning and design work. In a number of cases, joint design offices are established, for example the successfully operating Bulgarian-Soviet design office, which is developing and testing new designs of floatation machines.

The effective exchange of technical and technological information helps also to avoid cases of duplication, which were numerous in the CEMA member countries in the past, for example in the purchase of licenses in third countries. Thus, the jointly acquired license for the production of equipment for the painting of walls of the Wagner Company (FRG) has been utilized on the basis of cooperative relations of Soviet and Hungarian enterprises.

To be informed of what is taking place in the scientific-technical sphere of the partners is important for the determination of the long-term spheres of development of industry in one's country, and for that very reason of the priority directions of international cooperation.

The economic organizations of some CEMA member countries have different rights in the preparation and conclusion of agreements on specialization and cooperation and correspondingly different possibilities for the organization of direct cooperation with foreign partners. They operate within the framework of systems of planning and administration determined by national legislation. The mutual knowledge of the specific character of the legal and economic conditions of economic operation is necessary for the selection of the forms and methods of cooperation and at the same time facilitates the prediction of the economic results of the measures being prepared, as well as the coordination of the positions of the partners in the case of the development of difficulties or any kind of new factors which change the conditions of cooperation.

The participation of the economic organizations of the fraternal countries in the development of national and international priority directions of specialization and cooperation promotes both the increase of the economic organizations themselves in them and the reduction of the period of the adoption of these priorities by the countries to the conclusion of concrete agreements and contracts and the beginning of their realization. Subsequent stages are the transformation of obligations set forth by these documents into plan targets of the economic organizations, the preparation of production, the production process proper, and the exchange of the products of cooperation.

In the realization of the agreement on international specialization, the utilization of direct links increases the effectiveness of cooperation and the level of the adaptation of the reproduction processes of the partners in cooperation and is conducive to the synchronization of the production cycles. This is especially important since, in the course of cooperative relations, it is often necessary to engage in the securing of raw material and materials, including imported ones; modernization, reconstruction of the production capa-

cities, the creation of new technological processes and special equipment; the preparation and exchange of tested models of products; the agreement of price changes for assemblies and parts, etc.

An example of direct cooperation in the effective administration of production is the experience of the Shvedt Combine [GDR] and the Danube Oil Processing Plant (Hungarian People's Republic). Systems of programs for the operational control of production, which were developed in Hungary, have been successfully introduced, which made it possible to lower the expenditures connected with the given industry. A unique example of direct links on a multilateral basis in the sphere of technical maintenance is the international service for the repair of oil processing equipment. Planned and emergency repairs are carried out by means of the exchange of repair brigades, equipment and spare parts.

In direct operational contacts, it is easier for economic organizations to adapt the products under subcontracting arrangements to changes in the demands of purchasers, to improve the material-technical base of production and technology in conformity with the directions of world technical progress, to make use of new solutions in the organization of labor, the economy of raw material and power, etc.

The development of direct cooperation between economic organizations is conducive to the more efficient realization of priority directions of cooperation by means of the rationalization of coordination of foreign trade conditions, the increase of the effectiveness of the solution of a whole series of questions, arising in connection with the imperfection of some forms and instruments of the cooperation of the CEMA member countries (for example, the balancing of mutual deliveries, foreign exchange calculations, etc.). Thus, the question of calculations was solved which arose in the course of the cooperation of the Polish People's Republic with the Hungarian People's Republic in the output of self-contained equipment for the production training of workers, which the Hungarian People's Republic exports to the capitalist countries.

Of great significance are also the joint research of markets for the sale of the products under subcontracting arrangements, cooperation in marketing and service, in the organization of the work of transportation, etc. In all of these spheres, joint services and departments or joint enterprises may be created. The effect of their organization and activity is especially perceptible in the export of products under subcontracting arrangements to the markets of third countries.

Thus, direct links between the economic organizations of the CEMA member countries can and must play a positive role in the realization of the priority directions of international specialization and cooperation of production adopted by them.

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8970

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USSR-CEMA TRADE

REVIEW OF CEMA FOREIGN TRADE COMMISSION MEETING

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 22

[Text] In March 1984 the 67th Session of the CEMA Permanent Commission on Foreign Trade took place in Moscow.

The session of the Commission was chaired by the head of the USSR delegation, the minister of foreign trade, N. Patolichev.

The session reviewed and approved a report on the work of the Commission in 1983 and the further direction of its activity, proceeding from tasks set by the Session of the Council (37th Session) and the CEMA Executive Committee. It was noted that the economy and foreign trade of the CEMA member countries registered further significant development in 1983--the national income grew by 3.2 percent, and industrial production--by 4.2 percent. The foreign trade turnover of the CEMA member countries amounted to 283.4 billion rubles and increased by 8 percent in comparison with 1982.

The mutual trade of the CEMA member countries during the past year, as previously, actively promoted the fulfillment of the plans of their economic development and the further development of the national economy. It developed conforming to plan on the basis of long-term trade agreements and annual protocols. The volume of the mutual trade of the CEMA member countries in 1983 amounted to 166 billion rubles, exceeding the level of 1982 by 11.3 percent. As a result, its share in the total foreign trade turnover of the CEMA member countries in 1983 came to 58.6 percent, compared to 56.9 percent in 1982, 53.4 percent in 1981, and 53.6 percent in 1980.

The obligations with respect to mutual deliveries of goods in accordance with the agreements included in the Coordinated Plan of Multilateral Integration Measures of the CEMA Member Countries for 1981-1985 are being successfully realized.

The trade of the CEMA member countries with the Socialist Federal Republic of Yugoslavia continued to develop.

Other questions of the multilateral cooperation of the fraternal countries as well were discussed at the session of the Commission.

Decrees were adopted which are aimed at the further development of cooperation of the CEMA member countries in the sphere of foreign trade, as well as in defense of the interests of the countries of the socialist commonwealth in conditions when the imperialist circles are pursuing a policy aimed at the further aggravation of the international situation and the detriment of normal international political and economic relations.

The session underscored the policy being consistently pursued by the CEMA member countries--a policy which aims at the development of trade and economic relations with all states that are prepared to cooperate on an equitable and mutually advantageous basis, regardless of the level of economic development and the socio-economic system.

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USSR-CEMA TRADE

AUTOMATED INFORMATION SYSTEM INSTALLATION IN CEMA SECRETARIAT

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) pp 44-46

[Article by Vladimir Popov, department chief of the CEMA Secretariat, and Dmitriy Afanas'yev, CEMA Secretariat: "The Improvement of Information Processing in the CEMA Secretariat"]

[Text] One of the most important directions of increasing the efficiency of the activity of the CEMA Secretariat is the improvement of information processing on the basis of the creation and introduction of an Automated Information System (AIS), which will make it possible to supply staff members of the structural subdivisions more fully with information for the fulfillment of the functions of planning, calculation and analysis by them.

A survey in the first half of 1983 showed that the existing system of information processing does not correspond to the increased demands in regard to the activity of the Secretariat of the Council. The registration, selection, preservation and search of necessary information is carried out mainly manually, which does not guarantee sufficient completeness, effectiveness and quality.

The improvement of the system of information processing in the CEMA Secretariat through the application of the means of computer technology were also pointed out earlier. Thus, the Basic Directions for the Further Improvement of the Organization of Multilateral Cooperation of the CEMA Member Countries and the Activity of the Council, approved at the 32nd Meeting of the CEMA Session in June 1978, envisage the study of the possibility of the use of modern means of organizational and computer technology by the CEMA Secretariat. At the 88th Meeting (1979), the Executive Committee charged the CEMA Secretariat with developing--with the involvement of the relevant scientific organizations of the fraternal countries--the technical-economic substantiation of the expediency of creating an Automated Information System of the CEMA Secretariat, utilizing modern computer technology.

In 1980 such a substantiation was prepared and reviewed at a conference of specialists on automated information processing. The representatives of the People's Republic of Bulgaria, the Hungarian People's Republic, the Socialist Republic of Vietnam, the GDR, the Republic of Cuba, the Mongolian People's

Republic, the Polish People's Republic, the USSR and the CSSR, who took part in it, approved the idea of the creation of an Automated Information System and made a number of useful proposals. As a result, the management of the Secretariat took a decision about the step-by-step development of an Automated Information System, for which a group for automated information processing consisting of three specialists was formed in 1982.

In the first stage of the creation of the Automated Information System it was decided to begin with the organization of experimental information teleprocessing. To this end, information characterizing the course of the fulfillment of the decrees of the 98th Meeting of the Executive Committee was processed between November 1981 and February 1982 in the building of the CEMA Secretariat, utilizing the technology and the programs of the International Center of Scientific-Technical Information (MTsNTI).

The mathematical program included: a YeS [Unified System] OS [Operating System] Version 6.1, a BTMD [Basic Telecommunications Access Method], a KAMA [expansion unknown] terminal control system, and the DIALOG [not further identified] package of applications programs (developed by the MTsNTI). In turning to the created data base, answers to questions not regulated beforehand and composed in arbitrary form were obtained.

The experiment showed the possibility of the use of the terminal-oriented DIALOG system for the processing of individual documents of the CEMA Secretariat. For the continuation of this work, an agreement on scientific-technical cooperation was concluded between the CEMA Secretariat and the MTsNTI. It provides for the introduction of documents of the CEMA Secretariat into the computer of the MTsNTI, using optically-reading equipment and the organization of the reference-information service on the basis of the data base of the CEMA Secretariat in local conditions.

To create the data base, departments of scientific-technical cooperation of both the radio engineering and electronics industry made proposals with respect to its composition.

In particular, it was proposed to include the following information: A program of cooperation for the creation of a single, unified base of articles of electronics technology, the development and production of special technical equipment, semi-conductor and special materials for their production for the period 1981-1990; the General Agreement on Multilateral Cooperation in the Development and Organization of Specialized and Cooperative Production of Industrial Robots, as well as other materials.

The selected information was reprinted in appropriate form on IBM machines and, with the aid of optically-reading equipment, fed into the computer. At the present time, the staff members of the Automated Information System are working on the basis of data in local conditions for a more thorough study of the possibilities of the terminal-oriented DIALOG system, the subsequent optimization of the data base, as well as the creation of instructional material facilitating the access of the staff members of the structural subdivisions of the CEMA Secretariat to documents of interest to them that are stored in the computer.

In January 1983 an understanding was reached concerning the scientific-technical cooperation between the CEMA Secretariat and one of the computer centers (VTs) of the USSR. In accordance with this understanding, the processing, in limited volume, of information of the CEMA Secretariat was envisaged, utilizing the technical and mathematical programs of the computer center. The model automated control system for the execution of documents (ASKID), which is in operation at the center, was studied. It represents a combination of organizational and economic-mathematical methods and modern means, with the aid of which the collection, processing and output of information about the course of the execution of administrative documentation is effected. The goal of the control system is to secure the timely and quality execution of documentation connected with the adopted decisions by the staff members of the structural subdivisions of the CEMA Secretariat.

The control system in the CEMA Secretariat, which is oriented basically to manual processing, does not meet modern requirements owing to the limited possibilities for the analysis of the course of the execution of orders and the reasons for the failure to meet deadlines; the insufficient effectiveness of the receipt of information about documents; the significant labor-intensiveness of the composition of summaries of the number of tasks being carried out in one or another structural subdivision during a given period of time; and the carelessness of the formulations encountered in the documents submitted for control.

The introduction of the automated control system for the execution of documents (ASKID) in the daily activity of the Secretariat will make it possible to eliminate the indicated shortcomings, to perfect the existing system of control of the execution of orders, and to increase the responsibility for the quality and deadlines of execution.

Thanks to adaptability, the system can be widely applied for the processing of various types of business documentation. The process of adaptation is rather simple since correction, substitution and catalogueing of the elements of the information base and special program modules are possible. The module principle makes it possible to have relatively independent information arrays, as well as descriptions, data and codifiers, which are catalogued in the reference-information fund of the subsystem. Such a quality of the system as supplementability makes it possible to include new requisites and requirements for the output of documents of different structure. Data can simultaneously be fed into the system and withdrawn from it, information can be found in accordance with the assigned control characters, and the generation of output documents of the structure being required.

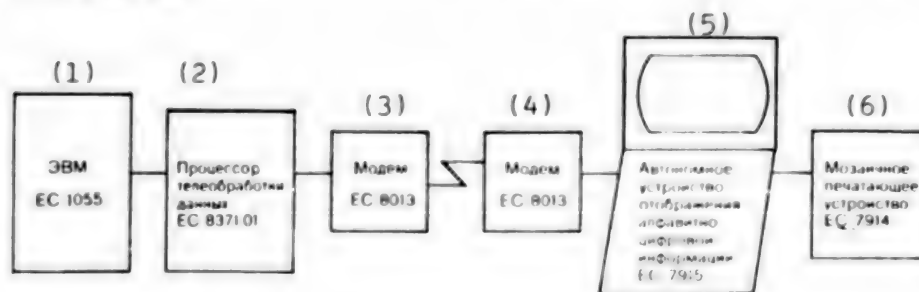
On the basis of the system described above, the development of the first phase of the subsystem "Decisions of CEMA Organs" was begun, making it possible to automate the processing of information concerning the execution of the functions of control of the implementation of the decrees and decisions of the sessions of meetings of the Session of the Council and the Executive Committee. The information of the first phase of the subsystem is processed on a YeS-1055 Computer located outside the building of the Secretariat.

As output information, three documents were proposed, containing an enumeration of all decisions being checked, with an indication of the term of the execution of its run, a short summary of the task, as well as an enumeration of the decisions grouped by executors and subject. These forms can be supplemented and changed comparatively easily in accordance with the wishes of the users.

In preparing for the experimental operation of the subsystem, information contained in the materials of the 34th-37th Meetings of the CEMA Session and the 93rd-108th Sessions of the Executive Committee was formalized, transferred to technical storage devices, checked and loaded into the computer. The correction lists obtained on the printing equipment are intended for the collection and input of information characterizing the actual state of affairs with respect to the execution of the decisions of the meetings of the Council Sessions and the Executive Committee. After verification they were sent to the proper industrial departments for the injection of data illuminating the course of the execution of the decisions.

The information from the completed correction lists was again fed into the computer to update the information file. In this way factual information was collected showing how the decisions of the meetings of the Council Session and the Executive Committee are being implemented. On their basis output documents were issued.

Figure 1. Composition of the Equipment of the Subscriber Station of the CEMA Secretariat



Key:

- | | |
|--|--|
| 1. YeS-1055 Computer | 4. YeS-8013 Modem |
| 2. YeS-8371.01 Processor for Data Teleprocessing | 5. YeS-7915 Autonomous Equipment for the Representation of Alpha-numerical-Numerical Information |
| 3. YeS-8013 Modem | 6. YeS-7914 Dot Matrix Printing Equipment |

These materials were sent to all the structural subdivisions of the CEMA Secretariat for the determination of suitability in the execution of the functions of control of implementation. The majority of the departments was interested in receiving information of that type, after making a number of useful proposals with respect to the improvement of the documentation offered;

some of the departments requested that the limits of the subsystem be expanded through the inclusion of information about the course of the implementation of the decisions of the CEMA organs.

The introduction of the first phase of the subsystem will make it possible to increase the effectiveness and completeness of the collection, search and output of information characterizing the course of the implementation of the decisions and decrees of the Council Session and the Executive Committee and to economize the labor of the specialists of the structural subdivisions.

It is well known that the most progressive method of information processing is the dialogue mode of work of the user with the computer. Direct access to a computer makes it possible to receive information in graphic form oriented toward professional activity, presents broad possibilities for the use of individual methods of analysis and the adoption of decisions, and raises the level of administration through the use of modern methods and means of accumulating, processing and analyzing information.

Guided by this, the group for the Automated Information System of the CEMA Secretariat conducted work on the organization of information processing in the dialogue form in the building of the CEMA Secretariat. For this purpose a link through a non-commutating communication channel was created in May 1983 between the CEMA Secretariat and one of the computer centers in the USSR.

In June of the past year the following were received for temporary use: YeS-7915 Autonomous Equipment for the Representation of Alphabetical-Numerical Information, YeS-7914 Dot Matrix Printing Equipment, and the YeS-8013 Modem. This equipment was connected to a YeS-1055 Computer through a YeS-8371.01 Processor for Data Teleprocessing (PTD).

The diagram of the connection of the subscriber station is given in the illustration.

With the aid of the subscriber station of the CEMA Secretariat, the users of the subsystem "Decisions of the CEMA Organs" can establish a connection with the computer, make inquiries, and can also receive information about the course of the implementation of the decisions. A mathematical program is being perfected and adjustment of equipment is being carried out for the information processing in the subsystem in the dialogue mode.

In the near future, the group for the Automated Information System of the CEMA Secretariat will begin with the development of the subsystem "Personnel". Its introduction will make it possible to carry out the staff accounting of personnel with the aid of computers, the analysis of information about their personal and business qualities, the automated composition of different types of accountability, the preparation of initial data for an analysis of the dynamics and prediction of changes in the composition of personnel.

Along with the indicated activity, the CEMA member countries take part in the joint developments of the International System of Scientific and Technical Information (ISNTI) and the Distributed Automated Data Bank (RABD) of the Automated System of State Statistics (ASGS).

The basic goal of the operation of the International System of Scientific and Technical Information is an increased level of satisfaction of the information needs of the specialists of the CEMA countries.

The utilization of the information contained in the Distributed Automated Data Bank will satisfy approximately 80 percent of the information requirements of the staff members of the department of statistics of the CEMA Secretariat and will significantly reduce the time expended for information processing.

To accelerate the process of the creation of the Automated Information System of the CEMA Secretariat and to reduce labor and material expenditures, it is planned to study the experience of the work of the systems of the International System of Scientific and Technical Information and the Distributed Automated Data Bank and then to secure the receipt of information from the created data bases in dialogue mode.

In conclusion it must be noted that a great deal will still have to be done in regard to the improvement of the organization of information processing in order for computer technology to be widely applied in the CEMA Secretariat in the execution of the functions of planning, accounting and analysis.

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8970

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USSR-CEMA TRADE

AZERBAIJAN OIL INSTITUTE AWARDED FOR SRV WORKER TRAINING

Baku BAKINSKIY RABOCHIY in Russian 5 Apr 84 p 3

[Text] Pupils of the Azerbaijan Institute of Petroleum and Chemistry imeni M. Azizbekov are working in many countries of Europe, Asia and Latin America. Fulfilling its international mission, the oldest Soviet petroleum VUZ is preparing specialists for the national economies of the countries of the socialist community and the economies of the developing states.

For more than 2 decades, the institute has been training petroleum engineers for fraternal Vietnam. During these years, about 300 young Vietnamese men and women received a higher education here, having become specialists in the area of the exploration, drilling and refining of oil and gas as well as in the economics of the oil industry and oil-industry equipment. Also trained were seven scientists who successfully completed their doctoral dissertations. Having mastered the Russian language in the preparatory department, about 2,000 Vietnamese then continued their education at various Soviet VUZ's.

For outstanding service in the area of personnel training for Vietnam, the Azerbaijan Institute of Petroleum and Chemistry was awarded the Socialist Republic of Vietnam's Order of "Friendship." A solemn ceremony to present this award to the institute collective took place 4 April in the VUZ auditorium.

The assembly was opened by K. G. Aliyev, minister of higher and secondary specialized education of the AzSSR.

The honorary presidium composed of the CPSU Central Committee Politburo under the leadership of K. U. Chernenko, general secretary of the CPSU Central Committee, was elected with great enthusiasm.

In fastening the order to the institute flag, Dinh Nho Liem, extraordinary and plenipotentiary ambassador of the SRV to the USSR, congratulated the collective for the high award. "I have been given the great honor," he said, "to present the award on behalf of the SRV State Council to the collective of the Azerbaijan Institute of Petroleum and Chemistry for outstanding service in training specialists for Vietnam. We are pleased to be in the city of Baku, the capital of Soviet Azerbaijan, a city renowned for its

remarkable revolutionary traditions, and we along with you are proud of the accomplishments of the people of Azerbaijan, who turned the once-backward fringe of czarist Russia into a flourishing republic. In admiring the achievements of your people and the petroleum workers of Azerbaijan, we remember the splendid words of Mayakovskiy, who said that if one can believe firmly in the future, it is because the thick black blood of Baku fills to overflowing the hearts of the capitals."

Noting that Azerbaijan, having become a region of powerful industry, developed agriculture and advanced science and culture, is making a worthy contribution to the successes of the entire land of the soviets, the ambassador wished great new achievements for the Soviet people closely united around the CPSU and its Politburo under the leadership of K. U. Chernenko.

The USSR, the bastion of peace and socialism, and the SRV, continued Dinh Nho Liem, are linked together by great friendship and fruitful cooperation, at the source of which stood V. I. Lenin and Ho Chi Minh. This peace and cooperation is developing successfully, and a new contribution to the consolidation of the friendly ties between our countries and peoples was made by the visit to Vietnam in October of last year by the Soviet party and governmental delegation led by G. A. Aliyev, member of the CPSU Central Committee Politburo and first deputy chairman of the USSR Council of Ministers.

Having expressed his deep gratitude to the CPSU Central Committee, the Soviet Government and the Soviet people for helping the Vietnamese economy and for training specialists for the intensively developing Vietnamese national economy, the ambassador emphasized in particular the important international mission of Soviet Azerbaijan and the Institute of Petroleum and Chemistry, a renowned forge for petroleum personnel, in the business of training young Vietnamese for engineering occupations in the area of the exploration, extraction and refining of natural fuels. He noted the contribution being made by Vietnamese specialists, former students of the Azerbaijan Institute of Petroleum and Chemistry, in opening up Vietnam's continental shelf, in developing the country's fuel industry and in building socialism in the SRV.

Institute rector I. A. Ibragimov, member of the AzSSR Academy of Sciences, expressed his deep gratitude to the party and government of the SRV for the high evaluation of the work of the institute collective. He said that it is symbolic that the "Friendship" decoration is glittering on the institute flag. For that lofty and bright word reflects the long-standing and solid ties of friendship that link our fraternal peoples. Friendship is the guiding star of the ever-stronger brotherhood and cooperation between the USSR and the SRV, between the CPSU and the Vietnam Communist Party. In speaking of the training of specialists for Vietnam, the rector assured that the faculty and student collectives of the VUZ will apply all of their efforts, knowledge and experience for the continued effective fulfillment of their international duty.

The collective of the Azerbaijan Institute of Petroleum and Chemistry was warmly congratulated by B. A. Gadzhiyev, general director of the Azneft'

Production Association and by F. M. Bagir-zade, member of the AzSSR Academy of Sciences and rector of the Azerbaijan State University imeni S. M. Kirov.

Instructor N. V. Mamedov, dean for work with foreign students; F. F. Muganlinskiy, head of the department for the technology of petrochemical synthesis; and R. K. Aliyeva, senior teacher of the Russian language section of the preparatory department of the Azerbaijan Institute of Petroleum and Chemistry, in speaking at the conference, thanked the party and government of the SRV for the high award, and they assured that they will continue to provide every possible assistance in training specialists for Vietnam.

Fifth-year student of the chemical-industrial department and leader of Vietnamese students Cu Xuan Bao expressed his heartfelt gratitude to the land of the soviets and to the teachers, scientists and the entire institute collective for their unselfish assistance to his homeland.

The participants in the assembly adopted a telegram of salutation addressed to the Central Committee of the Vietnam Communist Party and to the Presidium of the SRV State Council and Council of Ministers.

Present at the assembly were F. G. Akhmedov, deputy chairman of the AzSSR Council of Ministers, and R. D. Mamedov, head of the section for science and educational institutions of the Azerbaijan CP Central Committee.

At the conclusion there was an amateur concert of Soviet and foreign students.

9746

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BRIEFS

CEMA FOREIGN TRADE STATISTICS--The foreign trade of the CEMA member countries registered further significant development in 1983. The foreign trade turnover of the fraternal countries came to 283.4 billion rubles and increased by 8 percent compared to 1982. The share of the mutual trade of the fraternal countries in their total foreign trade turnover, in a continuous increase, reached 58.6 percent in 1983. At present the countries of the socialist commonwealth, through mutual trade, satisfy 68 percent of their import requirements for machines and equipment, 70-71 percent--for oil and oil products, 95 percent--for bituminous coal, 71 percent--for iron ore, and 70 percent--for consumer products. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

CEMA COUNTER-DELIVERIES--A great reserve of the successful economic development of every one of the fraternal countries is their cooperation within the framework of CEMA. At the beginning of 1983, the cost of the counter-deliveries of goods and mutual services came to more than 18 percent of their total national income. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

ROLE OF MACHINEBUILDING--The structure of the machine-building industry of the CEMA member countries is constantly being improved in proportion to the intensification of the specialization and cooperation of their production. During the 1970's the production of machine-building increased by a factor of 2.4, and the mutual export of machines and equipment--more than threefold. The proportion of the export of specialized production increased from 17.7 to 35 percent. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

HUNGARIAN EXPORTS OF MACHINERY--In 1983 the proportion of products of machine building, electronics and electrical engineering in the total export of the Hungarian People's Republic to other CEMA member countries exceeded 54 percent and amounted to 9 billion rubles. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

USSR DELIVERIES--The Soviet Union delivers to the other CEMA member countries fuel and raw material, and in a number of cases at prices below world prices. During the three years of the current five-year-plan alone, the USSR delivered

to the fraternal countries: 264 million tons of oil and oil products, 92 billion cubic meters of gas, 53 billion kilowatt hours of electricity, 128 million tons of iron-containing raw material, and 19 million tons of mineral fertilizers. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

IMPORTANCE OF USSR DELIVERIES--By virtue of Soviet deliveries, the CEMA member countries cover 80 percent of their requirements for oil and oil products, 99 percent--for natural gas, 90 percent--for iron ore, more than 60 percent--for bituminous coal and manganese iron ore, and 75 percent--for rolled metal and phosphorous fertilizers. During the current five-year-plan, the export of fuel and energy resources from the Soviet Union into other fraternal countries will have to be increased by 20 percent, including gas--by 63 percent and electricity--by 52 percent. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

BILATERAL/MULTILATERAL CEMA AGREEMENTS--60 bilateral and about 100 multi-lateral agreements on specialization and cooperation have been signed between the Hungarian People's Republic and the other CEMA member countries. Commodity turnover in accordance with them exceeds 5.5 billion rubles, constituting more than half of the entire foreign trade turnover of the Hungarian People's Republic. In 1984 a contract is being concluded according to which the mutual Hungarian-Soviet deliveries of automobile industry production will reach 800 million rubles: Hungary will receive 29,000 light automobiles and 4,000 trucks, and, in its turn, will send 7,400 buses to the Soviet Union. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

SOVIET-BULGARIAN TRADE--The commodity turnover of the USSR and the People's Republic of Bulgaria projected for 1984 will increase by 12.6 percent compared to 1983 and will amount to 11.6 billion rubles. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

ECONOMIC DEVELOPMENT OF MONGOLIA--As a result of the accelerated growth of the economy of the Mongolian People's Republic, the material prosperity of the people is steadily increasing. Thus, for example, during the past 20 years the foreign trade turnover of the country increased by a factor of 5.9. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

USSR-GDR TRADE--The mutual commodity exchange between the USSR and the GDR is projected at more than 14 billion rubles. The share of the USSR in the foreign trade of the GDR now constitutes 38 percent, and the share of the GDR in the foreign trade of the Soviet Union reached almost 10 percent. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66] [COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1984] 8970

SOVIET-POLISH TRADE--The mutual commodity turnover between the Polish People's Republic and the USSR will amount to 10.7 billion rubles, including Polish export--5 billion rubles, and import--5.7 billion rubles. In particular, Poland is buying in the USSR approximately 15 million tons of oil and oil products, 6 billion cubic meters of natural gas, 7.7 million tons of iron ore (of pure element), 1.35 million tons of cast iron, 150,000 tons of cellulose, 61,000 tons of paper and cardboard, 112,000 tons of cotton, 53,000 tons of aluminum, and 120,000 tons of ammonia. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66]

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CZECHOSLOVAK-POLISH TRADE--Czechoslovakia occupies a prominent place among the trading partners of Poland. According to preliminary estimates, the volume of commodity turnover between the Polish People's Republic and the CSSR will attain 1.825 billion rubles in 1984. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66]

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ROMANIAN-SOVIET ECONOMIC RELATIONS--Specialization and cooperation of production to a large extent determine the stable development of Romanian-Soviet economic relations. It is expected that during the current five-year-plan commodity deliveries between the Socialist Republic of Romania and the USSR will increase by 64 percent compared to the 1976-1980 period and will amount to 17.2 billion rubles. [Text] [EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 Apr 84) p 66]

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USSR-EAST EUROPE BILATERAL TRADE

CSSR TRADE, TECHNICAL CENTER ESTABLISHED IN MOSCOW

Moscow VNESHNAYA TORGOVLYA in Russian No 3, Mar 84 (signed to press 5 Mar 84) p 49

[Article: "CSSR Trade, Technical Center is Established in Moscow"]

[Text] Since November of last year a multisector technical center to assist in the technical maintenance of machines, equipment, and instruments produced in Czechoslovakia has been in operation in the Chertanogo region of Moscow. It was established in accordance with the June 5, 1974 Soviet-Czechoslovak intergovernmental agreement for cooperation in the area of improving technical maintenance of machines, equipment, and instruments delivered in mutual trade.

On the basis of this agreement between 1979 and 1982 specialized technical centers of the Soviet Foreign Trade Associations were established in Czechoslovakia in Bratislava, Brno, and Prague to assist in the maintenance of particular types of equipment delivered from the USSR.

The CSSR Center in Moscow, which was constructed as a result of the mutual cooperation of architects and builders from Czechoslovakia and the Soviet Union, is a modern, well-equipped complex which should help in the resolution of a wide range of problems associated with insuring the efficient operation of Czechoslovak machines and equipment delivered to the USSR.

The basic direction of the Center's work is to train Soviet specialists in the operation, maintenance, and repair of the Czechoslovak equipment in the USSR.

Besides the regular studies, the Center will conduct, on the basis of a special program, discussions and seminars about new kinds of Czechoslovak products and new technology as well as conferences associated with the development of joint projects.

Under the program to train the specialists the task has been established of practical familiarization with Czechoslovak equipment and with the implementation of measures to extend the service life and to use the equipment being delivered most efficiently.

The Center's working areas make it possible to house expositions of a wide assortment of new goods planned for export to the Soviet Union.

The complex, which has been constructed on an area of more than four hectares, includes four main facilities with total useful space of more than 17,000 square meters. Specialized class rooms as well as laboratories; a library; demonstration, exhibition, and lecture halls; storerooms for teaching materials and exhibits; work rooms; and a movie theater with 300 seats equipped for translation into two languages are located in the main building. An open-air demonstration ground with an area of 3,500 square meters adjoins the main building.

A hotel for 100 people and apartments for the staff members are located in the Center's second building. Repair shops, a two-story garage and storerooms are located in the third unit. The power station which serves the Center is located in a separate building.

One of the Center's important tasks is the coordination and management of the work of the technical centers established in many regions of the USSR to help maintain the machinery and equipment received from Czechoslovakia in particular, Tatra trucks, refrigerator units, textile looms and so forth.

During 1984 around 100 different events including seminars, symposiums, technical conferences, meetings, exhibitions, and others will be conducted at the Center. For example, in May and June of this year it is planned to conduct a Czechoslovak electrical equipment exhibition. Electrical equipment which is supplied to the USSR, products offered for export as well as goods whose production is possible on the basis of specialization and cooperation between USSR and CSSR enterprises will be among the exhibits at the exhibition.

At a press conference conducted on the occasion of the Center's opening, its director Karel Kasl noted that the construction of such a CSSR Center in Moscow will promote the development of multifaceted cooperation between the Soviet Union and Czechoslovakia, make it possible to more fully use the newest scientific and technical achievements in both countries, and will serve the continued development of specialization and cooperation in production.

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USSR-EAST EUROPE BILATERAL TRADE

BULGARIAN IZOTIMPEKS TRADE CENTER COMPUTER SALES TO USSR

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 4, Apr 84 (signed to press 11 April 84) pp 72-74

[Article by Dimitr Zlatanov, head of the Izotimpeks Trade-Technical Center in Moscow under the rubric "CEMA Enterprises and Organizations": "Izotimpeks's Contribution to Cooperation"]

[Text] The Bulgarian Izotimpeks Trade-Technical Center was opened in Moscow in November of 1977. Its fundamental goal is to assist Soviet consumers in the operation of computer and business equipment, instruments and automation equipment delivered to the USSR from Bulgaria.

In six years the center has accumulated considerable experience, permitting it to sum up the results and outline the tasks on whose solution the success of our continued work will depend in many respects.

The formation of the Trade-Technical Center was necessitated by the large volume of electronic equipment exported from Bulgaria to the Soviet Union and the extent and dynamics of the list of equipment and systems being delivered.

Today the Bulgarian electronics industry is comprised of modern enterprises and scientific-research institutes where a large number of highly skilled workers and specialists work. I can say with pride that in a short historical period it has reached the forefront of scientific-technical progress and changed into a leading industry, whose output in many respects shapes our export structure. The emergence and rapid development of this sector of industry was possible because of the fraternal assistance of the Soviet Union. Bulgarian successes in the electronics industry are the result of the fruitful and mutually profitable cooperation of CEMA countries and is vivid evidence of the vitality of the principles of the international socialist division of labor, specialization, and cooperation in production.

Currently, Bulgarian electronics output is exported to many states of the world, basically to the countries of the socialist community, above all the USSR. However, it is not enough just to manufacture the most sophisticated equipment and systems. It is necessary to guarantee its dependable and skilled maintenance so that the product will produce a real return and its use will make a substantial contribution to solving the tasks posed by

our fraternal parties and governments to intensify the national economies in all ways possible and to increase the economic potential of the entire socialist community.

A significant part of the Bulgarian electronics output exported to the USSR consists of computer and business equipment. As is known, of the modern computer equipment which is jointly created by CEMA members, Bulgaria specializes in the development and production of central and specialized processors, external memory units using magnetic disks and tapes, data tele-processing equipment, and systems and equipment for preparing information on magnetic storage device. It is perhaps difficult to find a computer center in the Soviet Union today where equipment marked "Made in Bulgaria" is not used.

The principles for the technical maintenance of Bulgarian computer equipment in the USSR are based completely on the agreement concluded between the CEMA member-countries for cooperation in the development, production, and use of computer equipment. In accordance with this, service organizations of the importing country take care of the equipment delivered. Long and painstaking work preceded the signing of the contracts in accordance with which the responsibility for technical maintenance of Bulgarian systems and equipment belongs to Soviet service organizations. As a rule, even before receipt of new items, appropriate technological documentation is sent to the soviet party and recommendations for technical maintenance and for the complete supplying of service enterprises with the necessary equipment and apparatus are made. Then teachers of training centers and specialists in the given field are trained. During the preparation of service contracts the list of spare parts and the date for their delivery are precisely defined and questions of the cooperation of the parties to insure the proper technical maintenance for the equipment being received are resolved.

It is necessary to emphasize that the Bulgarian party, having turned over technical maintenance to Soviet organizations, does not shed responsibility for the reliable operation of Bulgarian equipment. The management of the Izotimpeks foreign trade association and the Trade-Technical Center's collective continually devote a great deal of attention to the quality of the products delivered and to insuring a high level of maintenance. Recommendations to the manufacturing plants for increasing the technical-economic properties of the products delivered to the USSR are developed on the basis of an analysis of the operating reliability of the equipment. Questions concerning emergency calls by Bulgarian specialist brigades, the rendering of technical aid, the closing of claims, and the conducting of consultations and additional courses for instructing Soviet service specialists and consumers are promptly resolved.

The Center's associates regularly visit Soviet plants and organizations operating and servicing Bulgarian equipment and systems. Any Soviet specialist can obtain skilled advice about matters that interest him. Our collective clearly recognizes that improving the maintenance of Bulgarian electronic products in the USSR is possible only by means of the thorough intensification and expansion of cooperation with Soviet foreign trade partners and service organizations.

Trade activity, courses for the training of Soviet specialists, advertising and information work, and coordination of scientific technical relationships also belong to the functions of the Trade-Technical Center. The Trade-Technical Center, as a representative of the Bulgarian Izotimpeks foreign trade organization, carries out significant work in the preparation of contracts for delivery of equipment to the USSR, monitors their fulfillment and gives assistance to Soviet consumers in the selection of models of the systems that they are buying.

In our opinion, highly-skilled maintenance personnel are a pledge of the reliable operation of the equipment being delivered. More than 5,000 people have completed training in the maintenance of imported equipment and systems at our center. Courses were also organized in other cities of the Soviet Union.

It is necessary, in every way possible, to strengthen and expand contacts between consumers of our equipment and its developers and manufacturers. This is a very urgent matter for those who are using complex electronic systems with elaborate software of the type of Estel tele-processing complexes. The formation of user's associations for a number of Bulgarian-produced systems would play a large role in the development of business-like cooperation.

The Trade-Technical Center's advertising and information activity includes organizing expositions, other advertising measures, and the distribution of prospectuses. For a number of years Izotimpeks has actively participated in international exhibitions conducted in the USSR where Bulgarian electronics novelties are successfully exhibited. It is also worthwhile to mention the exhibitions by a single firm in many union republic capitals and larger USSR industrial centers. Soviet visitors have become acquainted with the latest Bulgarian achievements in the fields of computer technology, instrument-making and automation equipment at the specialized exhibitions and demonstrations which have become traditional at our center. Each such event has been a kind of report by our developers and producer-plants to Soviet consumers.

From the moment of its formation the Izotimpeks Trade-Technical Center has made a significant contribution to the coordination of scientific-technical cooperation between the Bulgarian Ministry of Machine Building and the Soviet Ministries of the Radio Industry, Instrument Making, Automation Equipment and Control Systems, the Communication Equipment Industry, the Electronics Industry and others. The center's associates participate in the coordination of technical specifications for export deliveries, and of the programs and procedures for bilateral tests of computer equipment and instruments, organize them and participate in them directly.

Constant strengthening of business-like cooperation between Soviet and Bulgarian organizations and specialists, and expanding and intensifying cooperation in the field of electronic technology is a reliable basis for the broad introduction of automation equipment and computer technology in various sectors of the Bulgarian and USSR economies.

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GENERAL

USSR, CEMA ECONOMIC EXPERIMENT GUIDELINES DISCUSSED

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 5, May 84 (signed to press 14 May 84) pp 16-23

[Article by V. Klochko, docent, candidate of economic sciences]

[Text! Evaluating the role and importance of conducting economic experiments under present-day conditions, K. U. Chernenko, general secretary of the CPSU Central Committee and chairman of the Presidium of the USSR Supreme Soviet, said: "The forms of economic activity ... must meet present-day requirements. A number of economic experiments now being conducted will undoubtedly be helpful here. The essence of them is to grant more rights to enterprises, to make them more responsible, and to free them of excessive meddling from the center. Verification by experiment will make it possible to move from the stage of explorations to confident forward movement."¹

In his speech at the April (1984) Plenum of the CPSU Central Committee he emphasized that the extensive and strenuous effort to improve advanced socialism cannot be done without widespread development of the initiative and creativity of the masses of workers, without involving them actively in solving the key problems in the life of society.

Economic stimulation based on a knowledge of the requirements of the objective laws of the development of production, on scientifically sound proposals and recommendations, and on progressive economic experiments serves as a tool for practical verification of optimum solutions in refining the interrelated units and subsystems of the economic mechanism. The latter would be the production relations which most directly reflect changes in society's productive forces. On the whole changes of the same general kind are brought about in economic mechanisms (though differences exist in concrete-economic conditions of the individual countries) by similar socioeconomic conditions of development. This accounts for common features in the economic experimentation now being conducted in the USSR and the other countries of the socialist commonwealth, which are explained not only by the objective process of the convergence of the economic mechanisms of those countries, brought about by the global pattern of equalization of levels of economic and political development of the individual countries, but also by the more or less simultaneous solving of the problems of adaptation of management systems to the parameters of socialist expanded reproduction in the stage of mature socialism and of

conversion of the economy to a predominantly intensive development strategy. In the interests of studying and using the collective experience that has been gained, then, it is indispensable to discover common elements in the economic experimentation which are making their way through the differences and divergences brought about by the diversity of the concrete-historical conditions of the functioning of the systems for management of production in the individual countries.

The following are common elements of this kind in the economic transformations being carried out in the socialist countries: the granting of broad rights to economic units to make independent use of the capital and physical and financial resources placed at their disposition; emphasis on the principle that economic organizations should entirely pay for themselves and restriction of the system of subsidies and benefits; limitation of the number of planning indicators devolved all the way to enterprises, and expansion of the latter's independence in compiling plans; development of the initiative of enterprises and production associations in the expenditure of funds allocated for the purposes of development of production and remuneration of workers; establishment of a stronger and flexible dependent relationship of resources allocated on the end results achieved by using a system of standard economic allowances and limits; enhancement of the accountability of producers for fulfillment of the delivery plan and also for production capacity utilization. These directions of economic changes were envisaged in conducting the economic experiment in production associations and enterprises of five ministries pursuant to a decree of the CPSU Central Committee and USSR Council of Ministers dated 14 July 1983 (the economic experiment in the sphere of consumer services to the public which will begin 1 July 1984 is a further elaboration and extension of it). Economic experimentation precedes adoption of major decisions in the field of improving the systems for management of production in the other CEMA countries as well. For instance, a series of comprehensive experiments preceded the shaping of the new economic approach to management of the economy in Bulgaria, which was described in the decisions of the 12th Congress of the Bulgarian CP as "a system of economic methods, instruments for exerting influence and for regulation, and organizational forms, a system that would encompass not only planning, but also production, distribution and management."² In carrying out the tasks advanced by the congress, the decree of the Bulgarian Council of Ministers entitled "On Improving the Economic Mechanism in the 8th Five-Year Plan (1981-1985)" took advantage of the lessons from experimentation in various subsystems and units of the economic mechanism. A comprehensive experiment on management of efficiency and quality control, whose purpose was to verify the features of the system in the field of planning and economic incentives along the directions indicated above, has become the principal effort to improve the economic mechanism in Czechoslovakia. On the basis of the results of the experiment the Czechoslovak Government has adopted a decree entitled "Package of Measures To Improve the System for Planned Management of the National Economy After 1980," which was approved by the 16th Congress of the Czechoslovak CP. In the other CEMA countries fundamental decisions in the field of improving the economic mechanism have also been prepared on the basis of the results of experiments which have been carried out and which are constantly being carried out (essential changes in the system of economic levers adopted

in Hungary as of 1 January 1980 and adjusted as of 1 January 1983; approbation in the GDR of comprehensive linkage and mutual adjustment of the plans of sectors and regions, of suppliers and consumers, as well as consistent introduction of tested principles of independent securing of capital for simple and expanded reproduction, extension on experimental principles of the so-called method of price and product quality comparison, based on the experience of the best GDR combines, and strengthening the linkage between cost-accounting instruments and the plan. In Romania the independence of enterprises is also being expanded to some extent in disposition of their money resources, and the system of bodies for collective leadership is being developed).

Not only does the example of the improvement of the individual subsystems of the economic mechanism carried out in the USSR, which was outlined in an experiment, and the example of the economic explorations in the other CEMA countries convince one that fundamental changes in the structure of the system for management of social production have common elements and afford the possibility of tracing peculiarities inherent in each country, but one can also discover the master trends in development of management systems and reveal the prospects for the rise of efficiency related to improved management of the economy.

A more thorough approach is being pursued in all the countries of the socialist commonwealth to the very understanding of the nature of planning, its functions and its role in the context of present-day standard reproduction. The scientific level of planning is rising, central planning authorities are being freed from solving current problems in management, and their attention is concentrated on working out long-range economic and scientific-technical policy and on ensuring internal consistency and optimum proportionality in the national economy. The very content of planning is being enriched, improved forms and methods of organizing it are being introduced, and up-to-date equipment is being applied to the planning effort. At the same time, the level of coverage of the various aspects of social development by planning is expanding: it regulates more thoroughly the social aspects of social relations, the relations of fraternal cooperation and socialist economic integration, and the ecological problems of society's development.

At the same time the rights of economic organizations are being expanded in the field of planning, the number of binding indicators assigned them have been reduced, and many of them are being reclassified as indicators to be calculated, and broader use is being made of standard economic allowances and limits.

This approach to planning is introducing quite a bit that is new into the very nature of 5-year plans--the principal link in the planning system. In the USSR, the GDR, Czechoslovakia and other socialist countries the 5-year plan with a breakdown of targets by years takes as its point of departure the long-range multiannual plan of scientific-technical, economic and social development and becomes in turn the basis for current planning, which guarantees adherence to the principle of continuity in this process. In all the countries of the socialist commonwealth the comprehensive target-program

approach is being established in planning; this is manifested in the drafting of a system of comprehensive target programs covering a long-term period and linked to the assignments of the 5-year plan.

Within the 5-year plans themselves a number of mandatory indicators assigned to economic organizations is being reduced. For instance, the assignments broken down to the enterprises and associations in the USSR involved in the experiment are those for the principal products in physical terms, for improvement of product quality, and the state capital investment limit; for the branches of heavy and transport machinebuilding application of new technology and production for export have become more important indicators. A number of indicators which previously were assigned will now only be calculated. For example, enterprises and associations in the UkSSR Ministry of Food Industry will now receive only 9 instead of 28 planning indicators; the growth rate of commodity output and the growth rate of labor productivity have now become indicators which are computed rather than assigned. Pursuant to a regulation on the economic mechanism, economic organizations in Bulgaria are also assigned a restricted number of binding targets: the volume of sales of principal products in physical terms, gross profit, assignments in carrying out comprehensive programs for application of advances of scientific-technical progress and environmental protection, introduction of new, reconstructed and modernized production capacities included on the list by name of the most important projects of national importance, and also a group of indicators related to the resource backing of planning targets. Since the binding indicators do not encompass the entire list of products produced, production capacities which are no longer subject to fulfillment of binding targets may be used at the discretion of the enterprises by manufacturing products in accordance with demand and the available resources.³ This procedure liberates the initiative of the enterprises, forces them to take a stewardly attitude toward the consumption of raw materials, supplies and fuel, and mobilizes production collectives to wage a fight for consistent enforcement of an economy regime.

Although in the CEMA member countries the number of binding indicators broken down to enterprises and associations differs, which is explained by the specific nature of the model of the economic mechanism chosen (the system for planned management in Hungary is based on the fact that it affords sizable room to a group of economic regulators compelling enterprises to operate in the direction defined by the national economic plan. It uses a minimum number of assigned indicators. In the GDR the list of state planning targets for drafting 5-year and annual plans includes about 70 indicators, and in Romania the share of the list of products planned centrally is also high),⁴ all the countries have in common a tendency to single out the principal indicators in the 5-year plan. In Czechoslovakia, for example, the principal indicators of the 5-year plan include plans for technical development, production and sales, material and technical supply, and reproduction of fixed capital.

Emphasis in the countries of the socialist commonwealth on strengthening the role of 5-year plans presupposes thorough development of a set of scientific planning instruments. In our view, interesting experience has been gained in the GDR with what is referred to as conceptual preparation of the plan: that

is, development of the preplan effort at all levels--from enterprises and combines to central authorities for management of the economy. On the basis of the targets received from superior authorities the work is done there to compile long-range programs and conceptions of development as well as other preplan documents pertaining to the most important lines of scientific-technical progress, development of the production of the most important products, optimum use of physical resources, and the conduct of export and import operations. Extensive use is made here of forecasting, and alternative versions are tested for solving problems that have arisen for the planning period. Considerable attention is paid to comprehensive linkage and to reconciliation of the documentation of preplan workups for sectors and regions and for suppliers and consumers of finished products.

The method of multiannual planning in Hungary and Czechoslovakia is developing as follows: the indicators of the 5-year plan are devolved with possible deviations in the form of allowances, with a specified bracket of the "from--to" variety. The method of planning in our own country is developing in that same direction. This practice, by making the planning process more flexible, is making it possible to develop the initiatives of enterprises in the fulfillment and overfulfillment of planning targets.

The economic experiments being conducted in the socialist countries have demonstrated the feasibility of applying a system of standard allowances establishing over the multiannual period a flexible linkage between the end results and the resources and capital allocated. A procedure for computing standard allowances has been perfected for the USSR enterprises and associations involved in the experiment: by contrast with past practice, in which standard economic allowances for the allocation of resources and capital were established on a differentiated basis for the years of the 5-year period and were often revised as the production and economic conditions changed, at the present time the normative base of planning has been broadened considerably. The standard allowances are worked out for the 5-year period and devolved to production units as part of the reference figures before compilation of the 5-year plan begins. These are the conditions under which standard allowances have been introduced in the 5-year plan for enterprises of the UkSSR Ministry of Food Industry concerning the following: the growth of wages of industrial production personnel proper, correlated to the growth of commodity output or NChP [normative net output]; formation of the production development fund; growth of the fund for material incentives and the fund for social welfare and cultural programs and housing construction. Once established, the standard allowances are not subject to amendment or reapproval.

The normative base for establishing the correlation between results and resources is also in effect in the other countries of the socialist commonwealth. For instance, in Bulgaria payment of revenues into the budget, transfers to incentive funds, and the formation and dynamic behavior of the wage fund are regulated by means of standard economic allowances. The granting of subsidies to enterprises operating at a loss or a low level of profitability and also export subsidies have been shifted to the principles of standard allowances.

The practice of the socialist countries in the conduct of economic activity is constantly demanding ever more flexible forms of combining multiannual plans with annual plans: opportunities have been considerably broadened for the statement of annual plans in concrete terms on the basis of the actual conditions that have come about during fulfillment of the plan. The conditions of the experiment being carried out in the USSR have considerably broadened the rights of enterprises to revise plans because the objective conditions for the conduct of economic activity have changed (the character of demand for the product produced, the physical resources allocated). The UkSSR Ministry of Food Industry and the corresponding industrial associations have been granted the right to change the planning indicators of enterprises in the bread-baking, macaroni and local food industries on the basis of public demand and the raw materials allocated.

At the same time the independence of enterprises and associations is expanding in disposition of the products produced when there are changes in consumer demand: enterprises and the UkSSR Ministry of Food Industry are allowed to sell products which the consumer has not chosen within the limits allocated during the month to other trade organizations at their own discretion, charging this to fulfillment of the delivery plan. Plans for development of BSSR light industry and Lithuanian local industry are adjusted to fluctuations in demand. The promise of this direction in economic experimentation is evidenced by the fact that in other CEMA countries a flexible relationship is also being established between end results and the available resources. The directives of the Hungarian National Planning Office, for example, allow changes to be made in the plan for reasons that have been brought about by objective conditions.

The organization and the method of annual planning so as to take into account a change in the economic situation create favorable conditions for development of counterplanning. In the USSR, Bulgaria and Czechoslovakia production collectives show broad initiative in mobilizing untapped internal potential and in the adoption and fulfillment of counterplans, taking the approved planning targets and agreements on sales and supply as their point of departure. Emphasizing the importance of counterplans, the 16th Congress of the Czechoslovak CP called for using the entire vigor of economic incentives in order to make it profitable for enterprises to assume higher obligations, especially to improve the quality of products and services.⁵

Enhancement of the role of the final indicators of enterprise performance and of fulfillment of planning targets for the volume of sales so as to take into account obligations concerning deliveries in accordance with contracts concluded is related to strengthening the normative principles of planning. The second of these two indicators is becoming central to the enterprises and associations undergoing the experiment in the USSR. The business contract concluded between the supplier enterprise and the consumer enterprise or organization in the trade sector is the basis for shaping annual plans. This puts the mechanism for the conduct of direct relations on stable foundations, improves material and technical supply of social production and creates the conditions indispensable to development of operational economic independence and initiative of production units. The role of the business contract and of

fulfilling obligations related to product deliveries has grown noticeably in recent years in the other CEMA countries as well. At enterprises of the fraternal countries contracts on product deliveries to consumers ("the portfolio of orders") serve as the basis for drawing up the production program. Requirements for adherence to contract discipline have been considerably tightened in this connection in Bulgaria, Hungary, the GDR and Czechoslovakia. For instance, in cases when delivery deadlines or the quantities and quality of products to be delivered as stipulated in a contract are not met, the offender bears full financial liability for the loss inflicted.

Finally, the importance of indicators of production efficiency increases in connection with enhancement of the role of the final indicators of performance in planning: for USSR machinebuilding enterprises--the indicator of the product's production cost, and for enterprises in light industry, the food industry and local industry--profit. The authors of a number of practical proposals⁶ feel that for machinebuilding enterprises the efficiency of the equipment manufactured, that is, the end results of their work, must be measured by the benefit to the national economy obtained from the consumer's use of the equipment in question. Machinebuilding enterprises have to be assigned a state target for achievement of a certain level of efficiency, which should become the basic criterion governing their work. It is also characteristic of the other CEMA countries that a greater role is being given to indicators that make it possible to evaluate the production efficiency which has been achieved--both summary indicators: net output (Romania), adjusted net output (Hungary, Czechoslovakia and a number of sectors of the GDR), profit (in most CEMA countries), net profit (in certain sectors of the GDR), and also specific indicators: materials intensiveness (inputs per 1,000 leus of output) and the output-capital ratio (output per 1,000 leus of productive capital) in Romania.

Economic experimentation in the planning field has not been without its failures; difficulties have had to be confronted in solving many problems. The experience of the CEMA member countries in the late sixties and early seventies, for example, demonstrated the impossibility of the predominant development of sectors determining the progressive structure of social production unless the correlation with related sectors is observed and also the indispensable need to maintain the strictest control over physical and value proportions in the economy. The development and adoption of new forms of economic activity is more and more encountering a number of obstacles brought about by the insufficient coordination of the various subsystems and units of the economic mechanism. For instance, stable rates for formation of incentive funds adopted for the 5-year period are expected to create strong material motivation in the adoption of strenuous plans. Yet certain enterprises are still not doing enough to uncover untapped potential, since there are no guarantees against interruptions and discrepancies in material and technical supply. Consequently, the possibility of the adoption of strenuous plans is in large part determined by the problem of the economy's internal consistency. Experience demonstrates that going slow with the transition to direct relations between supplier enterprises and product consumers requires the adoption of additional measures to broaden the rights of enterprises and to enhance their responsibility for their performance. The stability of the rates

is not being maintained in all sectors, and in a number of cases the rates themselves do not encourage efficient use of live and embodied labor.

The experiment being conducted in the USSR, as is well known, does not make fundamental changes in the organizational structure of management of the economy. But consistent pursuit of the course adopted by the 26th CPSU Congress to create industrial and production associations which organizationally encompass the entire cycle of the basic end product's cycle of reproduction (from scientific research and project planning to the sale of the product) creates conditions favorable for developing the initiative and independence of enterprises envisaged by the experiment and at the same time for enhancing their responsibility for their performance. The practical experience of large and highly integrated associations with a relatively independent cycle of reproduction in the CEMA countries (the creation of combines effectively linking science to production was completed in 1981 in the GDR) vividly demonstrates the advantages of unifying the various aspects of production activity and of conducting it on the principles of self-financing. Similar experience has also been gained in the associations (production-economic units) of Czechoslovakia. Moreover, as shown by the experience of breaking up enterprises in Bulgaria and Hungary, unifying functions in reproduction, even when there is no formal organizational structure of relations between the components of the unified production complex, provided the relations are stable among enterprises on the basis of business contracts, makes it possible to realize the advantages of conducting production activity in accordance with the principles of cost accounting (khozraschet). The large industrial enterprises in Hungary, which have unified the small production units on the basis of vertical integration within the sector, are demonstrating ever more perceptibly the advantages they embody. At the same time, strengthening the orientation toward the end results from the standpoint of the national economy makes it necessary to put order in economic relations within associations. There is still quite a bit to be done in the coordination of individual structural units, in simplifying the managerial apparatus and in bringing it closer to production, in elimination of duplication, and so on.

The conduct of large-scale experiments in the development of cost-accounting relations and economic incentives in the countries of the socialist commonwealth is in our view following two basic and interrelated directions. The first direction is the search for new forms of enhancing the motivation of economic units to increase production efficiency, above all the most important of its aspects, which are related to the application of new technology, a rise in the effectiveness of production, and an increase in the share of high-quality products. These forms are based on an expansion of the normative character of economic levers, on stimulating not only the process of fulfillment of planning targets, but also to an increasing degree the actual production efficiency that is authentically achieved.

In the USSR, as in a majority of the CEMA countries, incentives based on achievement of planned indicators is predominant, which is explained by the specific nature of the country's socioeconomic development. But the altered conditions of reproduction make it possible in a number of units of the economic mechanism (expenditure of wage funds, use of capital investments, etc.)

to apply the method of evaluation on the basis of attainment of real results even at the present time in order to expand the operational and economic independence and initiative of enterprises. Elements of incentives based on results actually achieved are now practiced in our country such as payment of supplements to the price for manufacturing a product whose quality exceeds a certain level, incentives for reducing expenditures below the socially necessary expenditures, etc. In the course of the economic experiment being carried out in the USSR further development of the principle of incentives for the level of efficiency that has been actually achieved is outlined: economic incentives are linked to the growth of output and the rise of labor productivity by comparison with the previous period. The growth of material incentive funds and funds for remuneration is also built on a normative basis and has been made dependent on the end result. The role of material incentives for the level of efficiency achieved is also growing in the other CEMA countries: transfers to the fund for awards and also determination of the wage fund (its average size in a number of sectors of Hungary and other countries) have been made dependent on the level of efficiency achieved, which is expressed in that summary efficiency indicator which has been adopted in the respective country. For instance, in Czechoslovakia the volume of the main portion of wages is made dependent upon the end results, expressed in terms of adjusted net output. Transfers to incentive funds also depend on fulfillment of planning targets for a number of supplemental indicators characterizing above all the quality of the product produced. In Hungary the growth of wages depends on the level of profit in the reporting year.

The second main direction of economic experimentation in the CEMA countries is creation of conditions for development of self-financing of production outlays. In the USSR the role of the production development fund is growing substantially at the enterprises involved in the experiment. The resources of this fund are given matching physical resources according to the same standard allowances established for centralized capital investments. There has been an essential change in the procedure for use of the resources of the unified fund for development of science and technology: whereas earlier the enterprises passed on all the resources to the disposition of ministries, and only then applied to them for allocation of the portion they needed, now the share of the deductions left to the disposition of the enterprise is fixed in advance. The latter are compensated in part for the increase in funds for remuneration resulting from higher inputs in the period of assimilating new technology. This has strengthened the basis of self-financing and created conditions favorable for enterprises to develop production above all with their own resources and through borrowing on a basis of self-financing.

In the other countries of the socialist commonwealth real steps have also been taken toward direct linkage of the possibilities of financing with the results of economic activity. For example, in the GDR the so-called principle of independent search for resources for simple and expanded reproduction has been introduced: it calls for reduction of redistribution of net income and depreciation through the budget and for expansion of the rights of economic organizations in the use of those resources. The enterprise's own resources--capital and depreciation, and also credit become the principal sources for financing investment projects. According to the plan for the

financing of capital investments, over the period 1981-1985 in Hungary the share of "own" capital increased to 60 percent, the share of credit is 22 percent, support from the budget and the development fund of local soviets--12 percent, and repayable state aid--6 percent.⁷ Hungarian enterprises have been granted substantial rights in disposition of the resources of the development fund and in making transfers to centralized funds. The importance of self-financing, which presupposes that every enterprise is required to reimburse expenditures from its own income without the help of state financing, has also been acknowledged in Romania.

In the European countries of CEMA, just as in the USSR, the normative basis has been expanded for combining the resources of funds for development of enterprises and those same funds at the level of the association. But the possibilities for shifting the funds back and forth are more dynamic in our view. The resources of the funds known as "expansion and technical improvement" of Bulgarian enterprises and the analogous funds of associations are distributed according to standard rates on a share basis. Moreover, the projects to be financed from the funds of the association and from the funds of enterprises are specifically defined. From its sources the association supplements the resources of the funds of the enterprises when the latter are not sufficient to finance measures guaranteeing fulfillment of planning targets. The resources of the funds of enterprises temporarily unassigned can be turned over as a loan to the association for a term not to exceed 3 years to be used by other subdivisions. Analogous principles for the transfer of funds are in effect in the combines of the GDR and in the production-economic units (associations) of Czechoslovakia.

It is from the positions of these two directions of economic experimentation that one must approach an evaluation of the nature and prospects of introduction of specific measures to improve the incentive system. For instance, in a number of countries competitive principles have been introduced concerning distribution of a portion of capital investments. In Bulgaria, for example, the principal criterion in the competition is that the collective of the enterprise apply the most progressive equipment and processes. In our view it would not be such a bad idea to conduct an experiment to check introduction of the competitive method for extension of credit under the conditions of the USSR as well at a group of highly profitable enterprises. It is indispensable to take into account in this connection the importance to the national economy of the product produced, the scale and financial capabilities of the enterprises, and the rate of turnover of their capital.

The experiment using regulation of interest rates in order to aid enterprises carrying out highly effective measures in the field of scientific-technical progress is arousing interest. The Czechoslovak State Bank reduces the rate of interest for such enterprises on credits granted to 50 percent of the customary level, and up to 25 percent of the economy goes into the funds of the enterprises. As shown by an experiment conducted at 203 enterprises in Czechoslovakia, this reduced by 41.6 million korunas the interest paid for the use of credit and increased the size of incentive funds correspondingly.⁸

The practice of the socialist countries has brought forth quite a few interesting solutions in the use of credit in order to optimize physical inventories of finished goods. They include the refusal to grant credit to finance finished goods which are not in demand (Bulgaria), raising the rate of interest when the enterprise reduces the share of inventories financed from its own resources (Poland), applying a higher interest rate when inventories exceed an established level (Czechoslovakia), raising the proportion of interest when there is a slowing down in the rate of turnover of capital through the enterprise's fault (GDR), and use of differentiation of the interest rate in order to form an effective structure of working capital (Romania).

Economic experimentation is noticeably expanding the field of application of price supplements and price reductions. If we can speak about an enhancement of the role of price supplements as an incentive, the same cannot be said about the reductions for the output of outdated products. The size of the reductions is quite negligible and does not reimburse society for the losses incurred through the manufacture of such a product. For instance, the sum total obtained from reduction was 2.8 billion rubles for the USSR budget in 1980.⁹ In Czechoslovakia the total amount of reductions on technically outdated products dropped from 7.7 to 2.6 million korunas over the period 1978-1981 (from 0.1 to 0.04 percent of the total volume of sales).¹⁰ Strengthening cost-accounting principles in the activity of enterprises requires a strengthening of the role of penalties for manufacturing obsolete products.

The search for possibilities of increasing the role of the base wage as an incentive involves strengthening the flexibility of the base wage and linking it to the end result. It has been envisaged that the group of USSR enterprises undergoing the experiment will form the wage fund on the basis of progressive standards stable for the 5-year period and the performance indicators achieved. The principle that the remuneration fund is to be earned is also being carried out in the other countries of CEMA regardless of linking the method of the size of that fund to the performance evaluated in the efficiency indicators which are customary. There have been numerous experiments to achieve greater flexibility in the wage rate system. The gradations or levels of wage rates and salaries in effect in a number of countries take into account expenditures of labor and the measure of its remuneration in differing ways.

Thus an examination of experience in economic experimentation in the CEMA countries shows that it has many common features and a common goal--increasing the efficiency of social production. This is affording the possibility of improving the forms and methods of management of socialist social production so as to take into account each country's peculiarities.

FOOTNOTES

1. PRAVDA, 3 March 1984.

2. "XII s"yezd Bolgarskoy kommunisticheskoy partii. Sofiya. 31 marta-4 aprelya 1981 g." [12th Congress of the Bulgarian Communist Party. Sofia, 31 March-4 April 1981], Moscow, Politizdat, 1982, p 19.
3. "Razvitiye khozyaystvennykh mekhanizmov v stranakh SEV" [Development of Economic Mechanisms in the CEMA Countries], Moscow, Ekonomika, 1983, pp 50, 61.
4. Ibid., p 106.
5. "XVI s"yezd Kommunisticheskoy partii Chekhoslovakii. Praga. 6-10 aprelya 1981 g." [16th Congress of the Communist Party of Czechoslovakia. Prague. 6-10 April 1981], Moscow, Politizdat, 1982, p 226.
6. PRAVDA, 16 February 1984.
7. "Razvitiye ...," p 90.
8. FINANCE A UVER, No 9, 1979.
9. EKONOMICHESKAYA GAZETA, No 18, 1982, p 2.
10. FINANCE A UVER, No 7, 1982.

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